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SUBJECT: PROGRESS IN 2008 AS PHILIPPINES LOOKS TOWARD 2010 ELECTIONS

Classified By: Ambassador Kristie A. Kenney
for reasons 1.4 (b) and (d).

¶1. (C) The past year was normally tumultuous for the Philippines. President Gloria Arroyo withstood serious domestic challenges, including an impeachment attempt and corruption allegations, and weathered global energy and financial crises. Human rights remained an area of deep concern, with activists and journalists facing threats to their lives, even as incremental progress was evident in prosecuting extrajudicial killings. The peace process with Muslim insurgents suffered a major setback when the Supreme Court struck down a key peace deal, but the clear determination of both President Arroyo and Muslim insurgent leaders to achieve a settlement left open the promise of reviving the talks in the New Year. The Philippines suffered no major terrorist incidents, and was again successful in neutralizing key terrorist suspects. Manila also remained a strong regional collaborator, braving dismay from Southeast Asian partners with continued vocal support for democratic values, particularly in Burma. Many of the year's successes owed a debt to U.S. efforts, as the Mission pressed to strengthen democratic institutions, instill respect for human rights and the rule of law, and help keep alive the drive for a peaceful, prosperous Mindanao. But our nation's most exemplary contribution may have been our own fair, transparent presidential election that Filipinos at all levels viewed as a model to strive for as the 2010 Philippine presidential campaign begins in earnest in 2009.

¶2. (C) Comment: While the Philippines did not backslide on key issues of concern -- prosperity, peace, good governance -- forward momentum clearly faltered, and will face continued pressure in 2009, as political leaders and the public shift their focus to Philippine national elections. The campaign could well exacerbate underlying flaws -- potent nationalism, political violence, appearing hawkish on insurgents -- and the U.S. and international community must be prepared to exert increased influence to ensure Philippine leaders do not sacrifice hard-won progress toward a more peaceful and just society in favor of short-term political needs. Continued successful collaboration on terrorism, defense reform, and law enforcement will need to be accompanied by thoughtful public and private messages on reviving the peace process, halting extrajudicial killings, and reining in corruption. End Summary and Comment.

PHILIPPINE DEMOCRACY: IMPERFECT BUT DEEPLY ROOTED

¶3. (C) The past year witnessed the kind of unruliness common to Philippine democracy. President Arroyo fended off another impeachment attempt from a disorganized opposition, weathered high-profile corruption hearings over a soured broadband deal and an old bribery scandal, and shepherded a worried public through global energy, food and financial crises. The

reasons for her political survival were no mystery: Support from an overwhelming majority in the House of Representatives, where her two sons wield strong influence, and a preponderance of governors and mayors. Equally important, senior leaders of the armed forces and national police maintained respect for the constitutional order, and refrained from dallying in politics despite feelers from some Arroyo opponents.

14. (C) The steady drumbeat of political discord belied a deeply rooted, though clearly imperfect, democracy that recognized fundamental rights. The press freely -- if sometimes irresponsibly -- reported on a bewildering array of social and political concerns. Religious leaders spoke out routinely without fear, arguing against efforts to amend the constitution or loosen family planning laws, and joining in the outcry against corruption. A vibrant civil society, including domestic and international NGOs of every stripe, pressed for progress on ending political killings and disappearances, greater economic justice, and an end to human trafficking.

HUMAN RIGHTS: INITIAL GAINS, BUT MORE NEEDED

15. (C) Targeted assistance programs and blunt counsel from the U.S. and the international community helped ensure the Philippines continued to make incremental progress on an array of human rights concerns, including human trafficking, extrajudicial killings and disappearances, and flawed judicial and law enforcement systems. U.S. assistance helped fund several new shelters and safe houses for human

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trafficking victims, and provided Philippine legal advocates with the resources to secure the conviction of traffickers, as the Philippine government focused additional prosecutors and investigators on the problem. Under sustained international scrutiny, even government critics were able to acknowledge that the number of extrajudicial killings remained historically low for a second year, and the government successfully prosecuted two military officers for extrajudicial killings -- winning life sentences against both -- and convicted a civilian for killing a journalist.

16. (C) Serious human rights abuses continued, however, particularly in areas outside Manila, where the law enforcement and judicial systems are most starved for funds and training. Advocates asserted that seven journalists were murdered in the past year. Human rights activists rightly criticized the government for its failure to effectively prosecute hundreds of unresolved killings, and the Ambassador and senior Mission members bluntly warned top Philippine government officials of potential negative consequences of failure to improve the human rights climate. In the coming year, Mission will further expand its substantial efforts to improve the capabilities of both the police and the justice system, targeting significant resources on police training in Mindanao and implementing an aggressive outreach program to prosecutors and judges to improve their ability to prosecute and win convictions in extrajudicial killings.

PUSHING TOWARD PEACE

17. (C) Events of the summer dealt a severe blow to one of President Arroyo's most prized policy goals -- concluding a comprehensive peace deal with the insurgent Moro Islamic Liberation Front by 2010. The Supreme Court struck down an arduously negotiated territorial agreement that would have granted Muslims unprecedented political and financial autonomy. This sparked savage attacks by rogue MILF elements in Central Mindanao, leading to a months-long campaign by Philippine armed forces to hunt down the attackers. Yet while the fighting created a humanitarian crisis for tens of thousands of displaced villagers, it did not spell an end to

the peace process. Indeed, Arroyo wants to announce a return to the negotiating table before year's end, underscoring the abiding interest of most senior leaders in both the government and MILF in finding a negotiated settlement to a debilitating insurgency that has sapped national resources and contributed to Mindanao's widespread impoverishment.

¶8. (C) The peace process faces serious hurdles, however, and both sides will need persistent encouragement and the prospect of continued international support to return to talks. While it is unclear whether Malaysia will continue in its role as facilitator for the talks -- the Philippine government does not view Kuala Lumpur as a neutral arbiter -- there are key areas where the United States can continue to play a unique role, short of active involvement in negotiations. The Ambassador and other senior Mission members have pressed consistent themes with both sides since the breakdown in negotiations: reestablish the ceasefire in Central Mindanao, return displaced villagers to their homes, and restart talks. We underscored our concern for displaced persons with high-profile visits and increased aid donations to displaced persons camps. Along with key EU partners, Japan, Australia and New Zealand, we have stressed the willingness of the international community to provide livelihood training and other assistance to help support a peace deal and offer combatants an alternative to taking up arms.

LOOKING BEYOND ARROYO

¶9. (C) The recent U.S. elections had a profound impact on Filipinos at every level of society. More than just which presidential candidate would carry the day, there was intense interest in the fact that polling could be fair, transparent, and nonviolent, producing both a clear-cut victor and a gracious concession and pledge of support from the losing candidate. Campaigning for the Philippines' national and local election in May 2010 will begin in earnest by spring 2009, bringing both calming and discomfiting effects. With the end of President Arroyo's contentious presidency more clearly in sight, efforts to unseat her are likely to find fewer advocates in coming months. But past elections have been marred by widespread violence and fraud, though with incremental declines in deaths and cheating in recent polls. And candidates are likely to appeal to voters' strong sense

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of nationalism in an effort to win support, possibly posing difficulties for efforts to craft a peace accord with Muslim insurgents, and making the United States, which has the most prominent security and trade relationship with the Philippines, a possible target of criticism.

¶10. (C) Still, the outcome of the upcoming Philippine elections is unlikely to alter the basic strength of our bilateral relationship. With the exception of former President Estrada, who was convicted of plunder in 2007 and may run again in 2010, the Mission has well-cultivated relationships with the known contenders, all of whom are well-disposed to the U.S. And the Mission will continue its long-standing efforts to help reduce election fraud, assisting Philippine election officials with efforts to automate the polling process for thousands of national, provincial and local officials, and helping to set up an effective system of election observers.

STRONGER REGIONAL PARTNER

¶11. (C) The Philippines continued its outspoken support for greater adherence to democratic principles and human rights in Southeast Asia. President Arroyo and other key political figures called repeatedly on Burma's military junta to release pro-democracy activists, especially opposition leader Aung San Suu Kyi, and engage in open dialogue on a more

inclusive political process. The Philippines underscored its commitment to Burma by sending a C-130 aircraft and a medical team to assist the victims of Cyclone Nargis. Manila also played a central role in incorporating a commitment to human rights into the new ASEAN charter that has since been ratified by almost all ASEAN member states. On North Korea, the Philippines has consistently supported the Six-Party Talks, and the Philippine Foreign Secretary consulted A/S Hill before traveling to Pyongyang in mid-2008. The Philippines has the potential to play a more active, pro-U.S. role in the region and globally, as it overcomes its internal challenges.

KENNEY